

House Bill 2531

Sponsored by Representative HOLVEY (Pre-session filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Expands definition of "appraisal management company" to include companies ordering appraisals for purposes not related to mortgage loans or mortgage securities.

A BILL FOR AN ACT

Relating to appraisal management companies; amending ORS 674.200.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 674.200 is amended to read:

674.200. As used in ORS 674.200 to 674.250:

(1) "Appraisal" means the process of developing an opinion of the value of real property in conformance with commonly accepted standards for appraisers.

(2)(a) "Appraisal management company" means[, *in connection with valuing properties collateralizing mortgage loans or mortgages incorporated into a securitization,*] an external third party that:

(A) Oversees an appraisal panel of more than 15 appraisers in Oregon or at least 25 appraisers in the United States; and

(B) Is authorized by a client to:

(i) Recruit, select and retain appraisers;

(ii) Contract with appraisers to perform appraisal assignments;

(iii) Manage the process of having an appraisal performed, including providing administrative duties such as receiving appraisal orders and appraisal reports, submitting completed appraisal reports to [*creditors and underwriters*] **clients**, collecting fees from [*creditors and underwriters*] **clients** for services provided and reimbursing appraisers for services performed; or

(iv) Review and verify the work of appraisers.

(b) "Appraisal management company" does not include an entity that employs real estate appraisers exclusively as employees for the performance of real estate appraisal activity.

(3) "Appraisal management services" means the process of receiving a request for the performance of real estate appraisal activity from a client and, for a fee paid by the client, entering into an agreement with an independent contractor appraiser to perform the real estate appraisal activity contained in the request.

(4)(a) "Appraisal review" means the act or process of developing and communicating an opinion about the quality of the substantive aspects of another appraiser's work that was performed as part of an appraisal assignment.

(b) An "appraisal review" is not a quality control examination.

(5) "Appraiser" means a state certified appraiser or state licensed appraiser certified or licensed

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 under ORS 674.310.

2 (6) "Appraiser panel" means a group of appraisers who have been selected by an appraisal
3 management company to perform real estate appraisal activity for clients.

4 (7) "Client" means a [*creditor of a consumer credit transaction secured by the consumer's real es-*
5 *tate or an underwriter of or other principal in the secondary mortgage markets*] **person** that engages
6 an appraisal management company to perform appraisal management services.

7 (8) "Controlling person" means:

8 (a) An owner, officer or director of an appraisal management company;

9 (b) An individual authorized by an appraisal management company to enter into a contractual
10 relationship with:

11 (A) A client for the performance of services requiring registration as an appraisal management
12 company; and

13 (B) An appraiser for the performance of appraisals; or

14 (c) An individual who possesses, directly or indirectly, the power to direct the management or
15 policies of an appraisal management company.

16 (9) "Independent contractor appraiser" means an appraiser who receives a fee for performing
17 an appraisal, but who is not an employee of the person engaging the appraiser.

18 (10)(a) "Quality control examination" means an examination of an appraisal report for compli-
19 ance and completeness in relation to client specifications, including examination for grammatical
20 or typographical errors.

21 (b) A "quality control examination" is not an appraisal review.

22 (11) "Real estate appraisal activity" means the activity described in ORS 674.100.

23 (12) "Uniform Standards of Professional Appraisal Practice" means the current standards of the
24 appraisal profession, developed for appraisers and users of appraisal services by the Appraisal
25 Standards Board of the Appraisal Foundation.

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